



PUBLIC NOTICE

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Streamlined Submarine Cable Landing License Applications Accepted For Filing

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 1.767 of the Commission's rules, 47 C.F.R. § 1.767. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing licensee; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), and section 1.767 of the rules, the Commission will take action upon these applications within forty-five (45) days after release of this public notice, unless upon further examination an application is deemed ineligible for streamlined processing.

Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 C.F.R. § 1.1206. Filings relating to this application must be received within 14 days of this notice. Such filings will not necessarily result in an application being deemed ineligible for streamlined processing.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

Submarine Cable Landing License

Application filed by AT&T Corp. on behalf of the Columbus II Consortium for a new cable landing license to allow the continued operation of the Columbus II Cable System for an additional 25-year term following the expiration of the current license on October 1, 2019. AT&T filed a supplement to the Application on March 8, 2019, that updates the U.S. Virgin Islands landing station map.

Columbus II is a common carrier fiber-optic submarine cable system that links the U.S. mainland with the U.S. Virgin Islands. The Columbus II Cable System was originally licensed in 1993 and commenced service on October 1, 1994. See American Telephone and Telegraph Company, et al., File No. SCL-93-001, Cable Landing License, 8 FCC Rcd 5038 (CCB 1993). (The current file number is SCL-LIC-19921110-00004.) Columbus II originally connected the U.S. mainland with the U.S. Virgin Islands, Mexico, Spain, Italy and Portugal. The international segments were retired in June 2009. See SCL-LIC-19921110-00004, Actions Taken Under the Cable Landing License Act, 24 FCC Rcd 7051, 7052-53 (IB 2009).

The Columbus II Cable System consists of one segment connecting a cable landing station in West Palm Beach, Florida to a cable landing station in Magens Bay, St. Thomas and is 2,070 kilometers in length. It has with two fiber pairs with a current design capacity of 800 gigabits per second (Gbps). The United States terminal points currently operate at up to 600 Gbps of capacity. The cable system capacity has been upgraded six times between 2009 and 2018.

AT&T states that the license renewal will allow the continued operation of an upgraded cable that will increase facilities-based competition on the U.S.-Caribbean, U.S.-Central America, and U.S.-South American routes (Americas I & II, St. Thomas-St. Croix, Pan Am, and Taino-Carib cables). The updated system will provide a robust platform to support increased growth of broadband traffic, including multimedia and Internet, and help meet the demand for the full range of emerging voice and data services and technologies on those routes. Further, AT&T states that given the massive damage to the U.S. Virgin Islands caused by Hurricane Maria, it is particularly important to maintain reliable communications facilities serving this region.

The Columbus II Consortium comprised of 21 members. Most members have a less than 5% interest in the cable and thus are not required to be licensees under the Commission's rules. See 47 CFR § 1.767(h)(2). The following three members will be licensees: (1) AT&T Corp.; (2) Servicio di Telecomunicacion di Aruba (SETAR) N.V.; and (3) Telefonica Larga Distancia De Puerto Rico, Inc. (TLD PR) (collectively, Applicants). The Applicants will hold the following interests in Columbus II:

AT&T Corp. will have a 66.03614% voting and equity interest.

SETAR will have a 10.33757% voting and equity interest; and

TLD PR will have a 5.62518% voting and equity interest.

Any member of the consortium may exercise the right to upgrade the system, may transfer its right to use capacity to any of its subsidiaries or affiliates, and may sell private indefeasible rights of use (IRUs) to any licensed non-member.

The ownership and control of the cable landing stations are as follows: (1) AT&T Corp. owns and will continue to operate the cable landing station at West Palm Beach, Florida, and (2) AT&T of the Virgin Islands, Inc. (AT&T VI) owns the cable landing station at Magens Bay, St. Thomas, Virgin Island. AT&T Corp. will continue to retain operational authority over the Magens Bay landing facilities. AT&T VI is a 59.10% owned indirect subsidiary of AT&T Corp., and an indirect wholly owned subsidiary of AT&T Inc., the 100% parent of AT&T Corp.

The Columbus II parties jointly own landing station equipment, including submarine line terminal equipment, and optical distribution frames, which collectively provide the interface between the submersible cable and each party's terrestrial network. Each cable landing party own the buildings housing the landing station, its network protection equipment and digital cross connects, and its share of jointly-owned facilities.

Applicants request a waiver of section 1.767(h)(1) of the Commission's rules, which requires that "any entity that owns or controls a cable landing station in the United States" shall be applicants for, and licensees on, a cable landing license." 47 C.F.R. § 1.767(h)(1). According to the Applicants, AT&T VI will have no ability to affect significantly the operation of the Columbus II, and inclusion of AT&T VI as a joint applicant is not necessary to ensure compliance by the Applicants collectively with the Cable Landing License Act, the Commission's cable landing license rules, or the terms of the cable landing license. According to the Applicants, all personnel who operate the Magens Bay landing station are supervised, directly or indirectly, by AT&T Corp. personnel. AT&T Corp. has and will retain operational authority over the Magens Bay, Virgin Islands cable landing facility and will continue to provide direction to AT&T VI in all matters relating to the Columbus II Cable System.

The Applicants propose to continue to operate the cable system on a common carrier basis.

AT&T Corp., a New York company, is a direct, wholly-owned subsidiary of AT&T Inc., a publicly traded Delaware company in which no person or entity holds a ten percent or greater direct or indirect voting or equity interest.

SETAR, the incumbent local exchange carrier in Aruba, is wholly-owned by the Government of Aruba. No other person or entity holds a ten percent or greater direct or indirect voting or equity interest in SETAR.

TLD PR, a Puerto Rico company, is 100% owned and controlled by Telefonica International Holding B.V., a Netherlands company, which, in turn, is wholly-owned by Telefonica S.A., a publicly traded Spanish company. No person or entity holds a ten percent or greater direct or indirect voting or equity interest in Telefonica.

All Applicants agree to accept and abide by the routine conditions specified in section 1.767(g)(1)-(14) of the Commission's rules, 47 C.F.R. § 1.767(g)(1)-(14).

REMINDERS:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See C.F.R. §§ 1.2001-1.2003.

By this notice, we inform the public that submarine cable landing license applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may be removed from streamlined processing and may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.